

May 11, 2026

<p>The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai 400 001 Tel No.: 22721233 Fax No.: 22723719/22723121/22722037 BSE Scrip Code: 542773</p>	<p>The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5 Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051 Tel No.: 2659 8235 Fax No.: 26598237/ 26598238 NSE Symbol: IIFLCAPS</p>
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Dear Sir/Madam,

Sub: - Earnings conference call transcript

Please find attached herewith a transcript of the earnings call held on Tuesday, May 05, 2026. The same is available on the website of the Company and can be accessed at the following link: https://files.iiflcapital.com/assets/IIFL_Earnings_May05_2026_revised_d644f3a6cb.pdf

Kindly take the same on record and oblige.

Thanking you,

Yours faithfully,

**For IIFL Capital Services Limited
(Formerly IIFL Securities Limited)**

**Meghal Shah
Company Secretary**

Encl: As above



“IIFL Capital Services Limited
Q4 FY '26 Earnings Conference Call”
May 05, 2026



**MANAGEMENT: MR. R. VENKATARAMAN – MANAGING DIRECTOR –
IIFL CAPITAL SERVICES LIMITED
MR. RONAK GANDHI – CHIEF FINANCIAL OFFICER –
IIFL CAPITAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to IIFL Capital Services Limited Q4 FY '26 Earnings Conference Call. As a reminder, all participant lines will be on listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to the Managing Director of IIFL Capital, R. Venkataraman. Thank you, and over to you, sir.

R. Venkataraman: Thank you. Good afternoon, and welcome to the Q4 FY '26 analyst call of IIFL Capital. I'm accompanied with my colleague, Ronak, who is our CFO. Recent geopolitical events have triggered a sharp rise in volatility, they have disrupted energy supplies. They have pushed oil prices above \$100 and both these have directly impacted inflation and inflation expectations. This has resulted in increased volatility, especially in capital markets, and we saw record FPI outflows in the month of March, and the trend seems to continue.

Despite these pressures, India shows relative resilience, and we have strong domestic flows, which cushioned the foreign selling. As we speak, growth outlook remains relatively strong. And I just want to give a caveat, as of now, we have to wait and watch for the monsoon progress to take the full year GDP growth estimates and calls. On a lighter note, the new definition of EBITDA seems to be earnings before Iran and Trump's daily announcement.

Coming to full year numbers. Our consolidated results for FY '26. Operational revenue for the full year stood at INR2,439 crores virtually flat, on a year-on-year basis. Retail revenues for the equity were INR1,121 crores, which is down 9% majorly due to the impact of regulatory changes announced by SEBI, which came into effect in the first quarter of last calendar. And hence, we had the full year impact. Institutional and Investment Banking revenues have increased 11%, INR712 crores versus INR639 crores. Financial product distribution income has increased by 16%, which is now standing at almost INR590 crores, close to INR600 crores.

Employee cost, we have seen a steep increase in employee cost to INR687 crores, and that is basically a combination of both headcount, variable pay provisioning as well as a onetime charge of INR7 crores due to change in Labour Law. Our finance cost has increased 17% to INR210 crores because of increased working capital requirement and that is directly linked to the growth in our MTF book. Depreciation increased 20% on account of investment in branches and technology.

Our fees and commission expenses increased 8%. That is because of partner payout. Admin expenses were up 9% due to branding and technology. Operational PBT was down 22%, and that is basically -- primarily driven by increase in the employee expenses. Other income was about INR164 crores. That includes a gain of almost INR90 crores on account of sale of real estate, which was held in IIFL facility, a subsidiary of the holding company. We also saw MTM due to right movement in BSE shares.

Coming to quarter 4 FY '26 versus quarter 4 FY '25, this is a quarter-on-quarter -- year-on-year for the last quarter number. Operational revenues were INR644 crores versus INR537 crores, up 20%. Retail revenue was up 22% at INR298 crores. Institution and IB revenues was about

INR162 crores versus INR97 crores, and primarily because of both increase in investment banking as well as broking income. FPD income was INR182 crores, which is down 4% because last quarter in Q4 FY '25, we had increased brokerage due to certain transactions in NSE share.

Employee costs increased 12% to INR183 crores, again, because of headcount increase and variable pay increases. Finance costs increased 45%, a steep increase to INR63 crores because our MTF book increased. Depreciation was up 6% because of commissioning of a new branch, and again, technology costs have gone up. Fees and commission expenses are increased by 40% because of some record payout. And admin expenses was 8% increase, again, due to branding and marketing expenses.

Operational PBT before MTM changes have -- was up 14% in last -- on a year-end basis.

If you compare quarter-on-quarter, which is Q4 FY '26 versus Q3 FY '26, operational revenue was up 10%. Retail revenues was up 3%, which is virtually flat, including institutional broking was virtually flat at about INR162 crores, which is virtually unchanged. FPD increase was up 36% to INR182 crores.

Our employee cost was flat, roughly increase of 4%, 183 versus 175. Finance costs again increased 18% because of growth in MTF book and working capital requirement, flat depreciation, fees and commission expenses increased because of higher sub-broker payouts. Admin expense reduced to INR86 crores, and operational PBT again was up 21% on a quarter-on-quarter basis.

Now coming from some housekeeping numbers, average daily turnover for about INR3,22,886 crores, which is roughly INR3,20,011 crores in F&O and cash was INR2,875 crores and which was INR3,14,660 crores in Q3, again, a split of INR3,11,000 crores -- roughly INR3,12,000 crores in F&O, and cash was about INR2,685 crores. And which is basically 3% growth which is virtually flat.

We also -- as I mentioned earlier, we have also started getting into manufacturing. We launched -- we closed our capital credit opportunities fund. We raised about INR500 crores and this is basically a risk-adjusted higher kind of fund. Coming to income tax notices, I just wanted to give all of an heads up.

The income tax department conducted a search under Section 132 of the income tax act and certain -- basically what had happened was, I think we've also -- from our own side because of the block assessment we had ad-hoc amount of INR27 crores approximately was paid in last quarter.

Now what has happened is that we have got a notice which for roughly -- for both IIFL management and IIFL facilities for roughly about INR56 crores combined for the block period from April 1, 2018 up to February 3, 2025. The respective companies are in the process of filing appeal against the same order. In case of the holding company, the assessment proceedings are still in progress, and we have not got any orders or demand notice till date.

We believe after considering all available facts and records and also consulting with our advisers, there won't be any material adverse impact on the financial position of the group. And hence, we have not made any adjustments. With this, I come to the end of my talk. Thank you so much, and we are open to answer any questions that you may have.

Moderator: First question is from the line of Keshav Karwa from White Pine Investments. Please go ahead.

Keshav Karwa: Thank you for the opportunity. I had 2, 3 questions. One is on the underlying growth for FPD AUM, which looks strong and what is driving this growth?

R. Venkataraman: See, we have seen a growth in our FPD assets because it was about INR31,000 crores, and it has now become about INR52,000 crores. And we have seen all-round growth, both in mutual fund and other assets also and including our fixed income assets. We have mutual fund assets have grown from INR14,000 crores to about close to INR21,000 crores. So I think basically all products, AI, PMS, mutual fund and also fixed income products have seen some growth.

Keshav Karwa: Okay, sir. Sir, my second question was, could you please provide how many RMs we have added this quarter and overall RM count is FY '26? And incrementally how many RMs do you plan on adding for FY '27 and any AUM target for FY '27?

R. Venkataraman: See, we have currently about 50 wealth RMs, and we have about 300 odd that affluent or PCG broking RMs. Our focus is that we should increase the headcount for wealth RMs this year. I don't have a specific number in mind, but because last year had been a difficult year for recruitment.

But our aim is to add to our wealth, the cohort of wealth RMs. And coming to asset growth, I think we are close to about INR52,000 crores. And I don't have a number in mind, but we have to increase it.

Keshav Karwa: Okay. So my third was that we have seen a sequential decline in the MTF book. What led to the decline? And going forward, how are you planning to improve the book? Also, could you please provide me the breakup for institutional equities and investment banking revenues for this quarter?

R. Venkataraman: See, the -- okay, the basic for the broad reason for the decline of the MTF book is primarily because of the last quarter -- increased market volatility in the last quarter due to which MTF impact was also there.

And coming to your other question about institutional broking, investment banking, roughly, I'm giving you rough numbers. Roughly, this is about INR700 crores and out of which roughly it will be about INR450 crores and INR250 crores, split between broking and banking.

Keshav Karwa: Okay, sir. And sir, you are doing a fund raise...

R. Venkataraman: I'm giving broad approximate. So there might be INR10 crores here and there. But broadly...

Keshav Karwa: Okay, sir. Sir, so you are doing a fund raise? So can you throw some light on your plans to use those funds?

- R. Venkataraman:** See, actually, at this point in time, I just want to say that as a company, the Board continuously evaluates opportunities to enhance shareholder value, whether it's in terms of potential acquisition, new projects and other such and combination. So at this point in time, I can't share more with you because there's no event that requires disclosure on the SEBI LODR regulations. As and when we have something very definitive, we will make all appropriate disclosures to the stock exchange as per regulatory guidelines.
- Keshav Karwa:** Okay, sir. Thank you so much.
- R. Venkataraman:** Thank you so much.
- Moderator:** Thank you. Next question is from the line of Prayesh Jain from Motilal Oswal. Please go ahead.
- Prayesh Jain:** So just there is this RBI regulations getting implemented from 1st of July, right? What do you see the impact of that on your broking business in any form? And also, if you could throw some light if not so much for us, how much -- what would be the kind of impact for the industry per se?
- R. Venkataraman:** See, actually, what -- my view is that there will be a short-term impact for sure because of increased working capital requirements and margin requirements. And then over a period of time, the market finds its own level and goes back to that trend. So short-term impact will be there for sure. For us also, there will be marginal impact because we don't do the prop trading ourselves. So there's no impact. And so for clients -- the clients will have to -- I would say, the cost of overall trade in F&O will increase.
- Prayesh Jain:** Okay. Got that. And secondly, sir, from 1st of April, again, on the institutional equity side, there has been a reset of yields that has come in because of the SEBI regulations. So what kind of impact do you see on your realizations on the institutional equity side?
- R. Venkataraman:** See, actually, you're talking about the domestic mutual fund yields, right?
- Prayesh Jain:** Yes, yes, yes.
- R. Venkataraman:** So my opinion is that we -- okay, our opinion or our learning is that the impact will be marginal because already effective yield was plus/minus the yield as suggested by the regulator.
- Prayesh Jain:** Okay, okay. Got it. And secondly, sir, when you kind of give that distribution assets is about INR52,000-odd crores, this would be -- this would include all your customer base today. But is it -- would it be appropriate to kind of segregate this into the Ultra HNI wealth management that you would be setting up and -- you are in process of setting up, what would be kind of AUM that you would have got from those kind of customers?
- R. Venkataraman:** See to answer your question about the HNI segment, which is the new channel which we have set up. So roughly, that will be roughly about INR12,000 crores, if my memory is correct.
- Prayesh Jain:** Got it. And the product mix would be similar to what you have shared...
- R. Venkataraman:** Similar.

- Prayesh Jain:** Similar. Got that. Got that. Thank you. I will come back in the queue, if I have more questions. Thanks.
- R. Venkataraman:** Thank you.
- Moderator:** Thank you. Next question is from the line of Neha R from Abakus Asset Manager. Please go ahead.
- Neha R.:** Thank you for the opportunity. Sir, my question is on the MTF income. So out of the FY '26 income of INR439 crores, can you give a split of how much of that is the interest on the MTF book and how much is the interest on deposits at banks?
- R. Venkataraman:** See, roughly it will be 50-50. 50% is MTF and 50% is something, whatever exchange, deposits.
- Neha R.:** Okay. Okay. And sir, last year, our net interest margin almost came to about 18%, 19%. So what sort of changes do we expect to make on a sustainable basis? I mean, how do we see that going on the net interest margin?
- R. Venkataraman:** Can you repeat the question, please? Your voice is not clear. You're talking about net interest margin?
- Neha R.:** Yes, sir. The interest margin, I think last year, in '25, the total net interest margin for '25 was about 18%, 19%. So is it lower this year? And how do we see that going on a sustainable basis, what sort of margins are we expecting to do on a sustainable basis?
- R. Venkataraman:** Net interest margin, 18% -- no, 18%, 19%, I think the net interest spread is roughly about 4%.
- Neha R.:** Sir, it's INR173 crores of interest on the MTF done last year?
- R. Venkataraman:** Last year was 200 plus, I thought. See you're trying to deduct interest costs from interest income.
- Neha R.:** No, no, sir. I was talking about the interest earned on the MTF on the margin book, which is about INR173 crores. Sir, this is part of the INR419 crores of total interest which we did last year.
- R. Venkataraman:** Last year, we had approximately INR420 crores of income and the MTF book interest was slightly higher. It will be about INR160 crores, INR170 crores -- INR160 crores types. And the interest expense we paid out was about INR180 crores. But this interest is very difficult to attribute how much of that is attributable to MTF and how much to other things. That's the reason I'm not able to give a precise answer like how much of this is interest and how much of that is noninterest.
- Neha R.:** Okay. And sir, just lastly, on your distribution income. So, sir, our assets have grown but the income has grown relatively higher to INR182 crores for the quarter. So, is it largely insurance-related revenue or any other products that have also contributed? Because sir, the AUM mix largely remained same for us. So, what exactly has led to this jump on...

- R. Venkataraman:** So basically, there are some components of insurance, some components because of placement of NCDs and fixed income. So that's the reason why we had a disproportionate increase in last quarter.
- Neha R.:** Got it. Thank you. That is it from my side.
- R. Venkataraman:** Thank you so much. Actually, maybe we should meet face-to-face, then I'll be able to answer your other question on interest correctly because I'm not able to hear you. Maybe it's better if you meet and clarify.
- Neha R.:** I'll connect with you. That's helpful. I definitely connect with you for that.
- R. Venkataraman:** Thank you so much.
- Neha R.:** Thank you.
- Moderator:** Thank you. Next question is from the line of Apeksha Bajaj from AV Fincorp Private Limited. Please go ahead.
- Apeksha Bajaj:** Hi. Thank you for the opportunity. Any color on further acquisition by Fairfax. There was a news around that, it is going to increase stake by 10%?
- R. Venkataraman:** I can't offer any comments on this.
- Apeksha Bajaj:** Thank you.
- R. Venkataraman:** So as and when there is something definitive, we'll surely make appropriate disclosures as per listings guidelines to the exchanges.
- Apeksha Bajaj:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Abhijeet Sakhare from Kotak Securities. Please go ahead.
- Abhijeet Sakhare:** Good afternoon, Sir, thanks for taking my question a slightly hypothetical question. Looking at our net worth of close to INR3,000 crores, how do you see it in terms of supporting our growth ambitions over the next 3 years on the broking side and potentially on the wealth management side as well?
- R. Venkataraman:** Actually, we think that we are well capitalized and we have enough dry powder to grow. So, I don't know how to answer your question because we are profitable. Last 3 years, if you see last 4 years, I think our net worth has gone from about INR1,000 crores to INR3,000-plus crores. And basically, all of it from accruals. So, I think we are running a profitable franchise, and we have enough we are -- all the cash is being used to reinvest in the business. So, we think that we have enough ammunition to grow.

- Abhijeet Sakhare:** Understood, sir. Sir, initially, you had given a comment around the -- in terms of the breakup between IB and IR revenues. That was, I think, close to about INR700 crores. That was for the full year FY '26, right? I'm just reconfirming that number.
- R. Venkataraman:** Yes, Correct. The full year revenue was about INR712 crores.
- Abhijeet Sakhare:** Understood. Okay. That makes sense. Got it, sir. That will be all. Thank you so much.
- R. Venkataraman:** Thank you so much.
- Moderator:** Thank you. Next question is from the line of as Prayesh Jain, Motilal Oswal. Please go ahead.
- Prayesh Jain:** Sir, just an extension of the previous question, the current net worth of INR3,000-odd crores, how is that utilized across your broking, wealth management, and alternates that you're setting up, that would also need seed funds. So how has been the utilization of this net worth currently across the business lines?
- R. Venkataraman:** Actually, the bulk of the business has been put in broking, MTF and exchange margins. So that has been a big allocation of capital.
- Prayesh Jain:** So, with this current net worth and say, the borrowing limits that we can still have, do you think that we have enough capital or headroom to grow another 20% in the next couple of years or we would need more capital?
- R. Venkataraman:** So, I think we have enough to grow in the next -- by 20% in the next.
- Prayesh Jain:** Got that. Got it. And sir, with respect to the -- any plans on new other categories like a full-fledged AMC or any plans there? Any thoughts with respect to new product categories that we want to get on to?
- R. Venkataraman:** See, I think as of now, we think that we have all the elements that can help us to succeed in our businesses, which is investment banking, insurance equities and, I would say, wealth management. As you know, in the earlier -- in the slide also, we have said that we have started manufacturing, in-house manufacturing, both on the PMS platform and the AIF platform, including early stage, late stage as well as a credit fund. We will evaluate opportunities to enhance shareholder value and improve our competitive positioning. As and when something happens, we'll make all the necessary disclosures.
- Prayesh Jain:** Got that sir, Thank you.
- R. Venkataraman:** Thank you so much.
- Moderator:** Thank you.
- R. Venkataraman:** For joining us on the call, thank you so much. And should you have any further questions, please feel free to reach out to either me or Ronak, and we'll be more than glad to answer all your questions. Thank you so much, and have a nice day.



IIFL Capital Services Limited
May 05, 2026

Moderator: Thank you very much. On behalf of IIFL Capital Services Limited, that concludes this conference. Thank you for joining us today, and you may now disconnect your lines.